Meeting of States Parties

Distr.: General
30 March 2005

Original: English

Fifteenth meeting
New York, 16-24 June 2005

Report on common staff costs

(Presented by the Tribunal)

I. Introduction

1. The fourteenth Meeting of States Parties in June 2004 requested the International Tribunal for the Law of the Sea ("the Tribunal") "to keep under review the method used to assess common staff costs and to report on this matter at the next Meeting of States Parties".[1] The present report is prepared for consideration by the Meeting of States Parties pursuant to that request.

II. Method used to assess common staff costs

2. The United Nations has not so far determined a separate rate applicable to Hamburg in respect of standard salary costs. Therefore, the Tribunal has used The Hague as a comparator for the purpose of budgeting established posts and common staff costs since its inception in 1996.

3. Considering the small size of its Registry, the practice of the Tribunal for the financial periods from 1996 to 2004 was to apply the percentage fixed by the United Nations applicable to The Hague to the gross salary of staff members of the Tribunal in order to meet the actual needs of the Tribunal. On this basis, the Tribunal was able to meet its actual needs in respect of common staff costs for the financial periods from 1996 to 2004.[2]

4. In January 2004, the United Nations issued new standard salary costs, version 12, with a percentage of 41.14 applicable to The Hague. When this percentage was applied to the net salary in accordance with the United Nations practice, a provision amounting to €896,400 per annum was included in the budget proposals for the Tribunal for 2005-2006.[3] At the same time, on the basis of the projection of actual requirements for 2005-2006, Tribunal common staff costs for 2005-2006 were estimated at €927,938 per annum.[4]

5. Since there was no major difference between the figures obtained by projecting actual costs and the figures resulting from the percentage as applied to

the net salary, it was decided to apply the percentage applicable to The Hague to the net salary in budgeting common staff costs for 2005-2006.[5] This decision was taken by the fourteenth Meeting of States Parties on the understanding that the matter would be kept under review and that a report would be submitted by the Tribunal at the next Meeting of States Parties.

III. Performance of common staff costs in 2004

6. In June 2003, the thirteenth Meeting of States Parties approved an amount of US$ 932,100 to be appropriated as common staff costs of the Tribunal for 2004.

7. The interim performance of common staff costs for the financial period 2004 shows that an amount of US $1,013,102 was spent during 2004, leading to an overexpenditure of US$ 81,002 in this budget line. Since expenses in this budget line are incurred mostly in euros, the overexpenditure is largely due to the exchange rate fluctuations. Indeed, in 2004 the United States dollar further depreciated against the euro and the appropriations for 2004, calculated in dollars on the basis of the exchange rate in March 2003 (dollar/euro ratio of 0.929), were not sufficient to meet the expenditure in euros.

IV. Estimate for common staff costs in 2005-2006

8. When the Tribunal adopted in March 2004 the draft budget proposals for 2005-2006, the estimate for common staff costs per annum in 2005-2006 was computed, based on actual costs and anticipated requirements, as follows:[6]

Contribution to the United Nations Joint Staff Pension Fund	433 728.00
Dependency allowance	50 952.00
Education grant	88 000.00
Home leave	25 325.00
Language allowance	10 296.00
Accident at work insurance	15 000.00
Medical insurance	125 880.00
Rental subsidy	65 400.00
Provision for staff rotation:	
Professional category (6.5 per cent)	85 663.50
General Service category (3.1 per cent)	26 694.10
Miscellaneous (ex gratia payments, including cancellation of leave)	1 000.00
Total in euros:	**927 938.60**

9. On the basis of the new standard salary costs, version 20, issued by the United Nations, the common staff costs rate applicable to The Hague has been fixed at 47.52 per cent of net salary costs for 2005. When this percentage is applied to the net salary based on version 20, common staff costs per annum for 2005-2006 would be €1,025,952. This amount represents an increase of €129,552 per annum

compared to the appropriation level of common staff costs (€896,400) approved by the fourteenth Meeting of States Parties in June 2004.

10. However, taking into account the performance of common staff costs in 2004 and on the basis of a revised projection of actual costs for 2005 and the standard salary costs, version 20, it appears that the amount of common staff costs required for 2005 can be estimated as follows:

Contribution to the United Nations Joint Staff Pension Fund	463 001.00
Dependency allowance	52 437.00
Education grant	97 479.00
Home leave	34 530.00
Language allowance	12 600.00
Accident at work insurance	18 000.00
Medical insurance	62 254.00
Rental subsidy	50 087.00
Provision for staff rotation:	
Professional category (6.5 per cent)	87 133.00
General Service category (3.1 per cent)	25 373.00
Miscellaneous (ex gratia payments, including cancellation of leave)	1 000.00
Total in euros:	**903 894.00**

V. Conclusion

11. As shown in the latter table, the new estimate for common staff costs for 2005 amounts to €903,894. This is slightly higher by €7,444 compared to the appropriation approved for 2005 (€896,400). In light of this minimal difference, there seems to be no need to make adjustment to common staff costs for 2005. This matter could be reviewed, if necessary, in 2006.

Notes

[1] SPLOS/117, para. 6. See also SPLOS/119, para. 34.

[2] See SPLOS/2004/WP.1, para. 57.

[3] Ibid., para. 58.

[4] Ibid., paras. 58 and 59, and Annex X.

[5] Ibid., para. 60.

[6] Reproduced from Annex X to SPLOS/2004/WP.1.